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1.9422
TR 87751
Cap. 3

WAR FOOD ADMINISTRATION
Food Distribution Administration
Washington 25, D. C.

October 22, 1943

TRANSPORTATION AND WAREHOUSING BRANCH MEMORANDUM NO. 12

To: All Regional Directors

Copies to: All Chiefs, Custody and Disposition Division, Regional Offices
Finance and Accounts Division

From: William C. Crow, Chief, Transportation and Warehousing Branch

Subject: Proper Charge for Collect Telegrams from Vendors Concerning
Shipments of Commodities

The Solicitor of the United States Department of Agriculture, under date of October 5, issued an Opinion to the effect that "under the General Commodities Purchase program the expense resulting to the Administration by having vendors telegraph by collect messages data concerning the time of shipment, number of car, destination, shipping weight, etc. of a specified commodity, under a particular contract, may properly be chargeable to program expense."

Pursuant to this opinion, I suggest that beginning immediately all such charges be reflected in the accounts as a part of the cost price of commodities purchased. In addition, charges accrued in connection with such wires since midnight June 30, 1943, should be transferred from the Administrative Expense Appropriation, to which they are now charged, to the G.C.P. account.

It should be remembered that the opinion relates to and is limited to collect wires sent by vendors and warehousemen to FDA regarding car movements and does not include such costs as communications originating with FDA in connection with policing activity or wires sent between FDA offices regarding car movements. Where doubt exists as to the proper accounting for a particular charge, judgment should be exercised on a case-by-case basis pursuant to the general rule that where, in normal commercial operations, the expense would be borne by the vendor, the charge may be properly made against the commodity itself. In no event should communication costs incurred by FDA employees be charged to the program category.

It is my understanding that this information will be conveyed to your accounting and fiscal people from the Washington office to the Finance and Accounts Division.

William C. Crow.

